

Department of Transportation

2001 Fiscal Impact Statement

1. Bill Number HB1670

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Cranwell

3. Committee Transportation

4. Title Distribution of funds in highway condemnation cases.

5. Summary/Purpose:

Distribution of funds in highway condemnation cases. Changes the timetable for distribution of funds in highway condemnation cases to require use of facsimile and overnight delivery services to ensure timely delivery of court orders and transfer of funds. The bill also establishes a 25 percent penalty imposed upon any payment made pursuant to this section if the payment is not timely made.

6. Preliminary Fiscal Impacts are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$616,875.00	2	NGF
2001-02	\$616,875.00	2	NGF
2002-03	\$616,875.00	2	NGF

b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0.00	0	
2001-02	\$0.00	0	
2002-03	\$0.00	0	

7. Budget amendment necessary: NO

8. Fiscal implications: In addition to the interest paid at the General Account composite rate, a 25 percent penalty would be imposed upon VDOT on any payment paid pursuant to this section if the payment is not made timely.

During the last fiscal year the Certificates of Deposit amounted to payments of \$9.87 million. If we assume that 25% of these are late for whatever reason, then application of the 25% penalty would amount to \$616,875..

9. Specific agency or political subdivisions affected: State Agencies, municipalities, counties and any person who exercises the power of eminent domain pursuant to Title 33.1.

10. Technical amendment necessary: NO

11. Other comments: This bill would in all likelihood require VDOT to stop filing Certificates of Deposits (CODs) and rely on Certificates of Take (COTs) because of the time frames and penalty provided. VDOT now relies on using the Certificate of Deposit with funds remaining on deposit with the Treasurer of Virginia when there is not sufficient time to wait for a check to be ordered and dispersed. The Certificate of Take is used when there is sufficient time for the check to be ordered and accompany the Certificate of Take when sent to the Clerk of the Court.

The passage of this legislation would also put VDOT at the mercy of the clerk's office in that the responsibility lies with the clerk to submit a certified copy of the order to the Commissioner within two working days. Therefore, an amendment is recommended that would clarify the duty of the Commissioner to deposit such funds with the court within five working days of the date of receipt of such order and transfer such funds for deposit by the fastest means possible.

By using this method, we would have to change the notification process used by clerks to bypass the Attorney General's Office. The orders would come directly to the Commissioner where they now come through the Attorney General's Office.

Additional personnel may be required to provide top priority to the processing of such orders within the five-day time frame. It is estimated that it would require 2 FTE's to handle this additional responsibility.

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cc: Secretary of Transportation

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